



**Pacific Gas and
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June 3rd, 2008

Sean Gallagher
Director of the Energy Division
California Public Utilities Commission
Room 4004
505 Van Ness Avenue
San Francisco, California 94102

**RE: Update to PG&E's 2008 California Solar Initiative Interim Marketing
and Outreach Plan**

SUBJECT

In accordance with Appendix A of Decision 07-05-047 (Decision), PG&E hereby submits an update to its Interim Marketing and Outreach Plan for the California Solar Initiative program in its service territory. In addition, PG&E requests a 20% budget increase for an additional \$100,000, as provided in the Decision, and submits for Energy Division review a detailed justification as to why these additional marketing expenses are required.

BACKGROUND

PG&E submitted its Interim Marketing and Outreach Plan (Plan) pursuant to Decision (D.) 07-05-047 on December 3, 2007. As part of the Plan, PG&E requested the 20% budget increase, or the additional \$100,000, as granted in the Decision.

On February 21, 2008, PG&E received a modified approval of the Interim Marketing and Outreach Plan, but was denied the 20% budget increase because the proposed expenses were "outside the scope of activities" approved by the Decision.

On March 17, 2008, PG&E staff met with CPUC representatives Molly Sterkel and Amy Reardon to discuss in more detail the reason the 20% budget increase request was not granted. During the course of the meeting, it was agreed upon that the spending for Market Research and Awareness Tracking proposed by PG&E in December was not appropriate at this time. However, it was clarified

that increased marketing and outreach funds could be requested for other important items within the scope of the Decision.

After receiving this additional direction from the CPUC on items within the Decision's scope, PG&E submits for Energy Division review the following request for the 20% budget increase along with an update on PG&E's approved 2008 Interim Marketing and Outreach Plan.

UPDATE ON APPROVED MARKETING AND OUTREACH EXPENSES

PG&E's approved Interim Marketing and Outreach activities and the associated 2008 approved budget are summarized in the following table:

Activity	2008 Budget	Notes
Training		
<ul style="list-style-type: none"> Training Program 	\$100,000	<p>To help increase the number of prospects entering the solar decision making process, PG&E received funds to expand installer and residential solar basics classes outside of San Francisco and throughout PG&E's service territory. As of May 2008, PG&E has 9 solar classes scheduled outside of San Francisco.</p> <p>In addition, PG&E has spearheaded a Solar Champion class with San Francisco's Department of the Environment to educate customers poised to communicate the Go Solar message in their respective communities.</p> <p>PG&E has also participated in a Sonoma PPA workshop and a Bakersfield Solar Tour with business leaders in the greater Bakersfield area.</p> <p>(Please note these classes are in addition to the 8 San Francisco classes for installer and residential customers.)</p>
Communications		
<ul style="list-style-type: none"> Fact Sheet 	\$ 0	Developed with 2007 budget.
<ul style="list-style-type: none"> News Release 	\$ 0	No budget requested.
<ul style="list-style-type: none"> Consumer Guide 	\$ 0	To be jointly funded through the program administration budget.
<ul style="list-style-type: none"> CSI E-newsletter 	\$3,000	Allocated funds to support the monthly PA e-newsletter.
<ul style="list-style-type: none"> Applicant Training Video 	\$25,000	To be jointly funded amongst the PAs.
Program Marketing		
<ul style="list-style-type: none"> March Bill Insert 	\$ 0	Approved as part of 2007 budget, implemented in March 2008.
<ul style="list-style-type: none"> Direct Mail 	\$170,000	300,000 postcard mailing to single family detached homeowners in five targeted counties.
<ul style="list-style-type: none"> Web Enhancement 	\$20,000	Refresh of the current www.pge.com/solar site to become a solar educational resource center.

• Online Campaign	\$182,000	Encouraging customers to visit www.pge.com/solar to heighten awareness of the refreshed site. Utilizing a combination of banner ads, targeted key word search and contextual advertising.
Total	\$500,000	

PROPOSAL FOR 20% BUDGET INCREASE

Expansion of Solar Classes

Decision 07-05-047 specifies that each Program Administrator dedicate \$500,000 for preliminary marketing and outreach, focusing on basic program marketing materials, and installer trainings. In accordance with the Decision, PG&E has held well-attended installer trainings monthly in 2008, training over 250 registrants. In addition to the CSI Workshop, in 2008 PG&E has trained over 350 residential customers with our monthly Solar Power Basics class. In doing so, we have successfully begun to penetrate these two market segments.

However, by limiting our outreach efforts to these two audience bases, we are concerned that we are not capturing other key potential solar users that could help us meet our goal to develop a broad educated base of solar consumers. As the needs of the residential solar home owner and solar installer are vastly different than the needs of other prospective solar system owners, the current training platform needs enhancement..

As such, in the latter half of 2008, PG&E would like to build upon the success of the current education portfolio and begin to meet these varied consumer needs by integrating new subject matter courses into the training schedule. This would include seminars on topics such as residential solar financing structures and PV maintenance training to maximize system life and output. By including these classes in the 2008 training schedule, PG&E could offer no less than 46 classes before the end of the calendar year.

To meet this enhanced training need, PG&E is requesting \$50,000 in additional funds to expand upon our existing solar class offerings as described above.

Matchmaker Service

Based on feedback from the solar installer community, PG&E has found a compelling need for a tool to customers in the identification of rooftops with high solar potential. The 'Solar Matchmaker' concept would help solve this problem by enabling customers to log into their PG&E account and view a graphical image of their roof along with a recommendation on the quantity and location of panels. The Matchmaker tool could take into account roof space, angle/shading, insulation, energy consumption from the customer's PG&E bill, and estimated

financial payback for a solar installation. When authorized by interested customers, PG&E could then share this information with solar installers that operate in the service territory.

We believe the Matchmaker Service will help increase the adoption of solar by reducing the time and complexity involved in evaluating a customer's solar potential along with the costs associated with generating strong leads.

As such, PG&E requests \$50,000 to help develop the Matchmaker Service pilot and to determine its feasibility to expanded it territory wide. Our pilot plan is going to be based off of the activities already being pursued by the city of San Francisco and others. Our goal is not to "reinvent the wheel" but through our pilot programs identify the best and most cost effective implementation to provide customers the data they need to make an informed decision. We anticipate that the costs for this outreach will continue into 2009 as we expand our implementation. The additional costs will be part of our submission in December.

Activity	2008 Budget
Expansion of Solar Classes – E.g., Training on PV system-life maintenance, and Power Purchase Agreements	\$50,000
Development of Matchmaker Service	\$50,000

Comments

In accordance with D.07-05-047, parties on the service list for R.08-03-008 may send a letter to the Director of the Energy Division, commenting on this proposed 2008 interim marketing plan. Anyone wishing to comment on this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **June 23, 2008**, which is 20 business days after the date of this filing. PG&E's reply comments, if necessary, will be submitted no later than June 30, 2008. Comments should be mailed to:

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102
Facsimile: (415) 703-2200
E-mail: jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies of comments also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The comments also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

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Notice

In accordance with D.07-05-047, PG&E is providing a copy of this letter to service list R.08-03-008.

A handwritten signature in cursive script that reads "Brian K. Cherry".

Vice President, Regulatory Relations

cc: Service List R.08-03-008